

## Message Text

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ORIGIN EB-07

INFO OCT-01 ARA-06 ISO-00 SP-02 AID-05 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-02 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03

LAB-04 SIL-01 DODE-00 PA-01 PRS-01 /081 R

DRAFTED BY EB/IFD/OIA:TRBRODERICK

APPROVED BY EB/IFD/OIA:RJSMITH

L/EB:SBOND (DRAFT)

L/ARA:DGANTZ (SUBS)

ARA/NC:SONANDRES

----- 110132

R 182339Z AUG 75

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS

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E.O. 11652: N/A

TAGS: EINV

SUBJECT: FOREIGN INVESTMENT AND PROPOSED DIVESTITURE  
LEGISLATION

REFS: (A) CARACAS 7850; (B) CARACAS 7829

1. DEPARTMENT SHARES EMBASSY CONCERN EXPRESSED REF B,  
PARTICULARLY REGARDING POSSIBILITIES OF FORCED SALES AT  
ARTIFICALLY DEPRESSED PRICES, AND OF RETROACTIVE  
SCRUTINY AND INVALIDATION OF PRIOR TRANSFERS OF OWNERSHIP.  
WE BELIEVE IT WOULD BE HELPFUL TO MAKE FOLLOWING POINTS TO  
APPROPRIATE GOV OFFICIALS: A. WE HAVE RECEIVED INFOR-  
MATION THAT THE GOV IS PRESENTLY CONSIDERING LEGISLATION  
WHICH WOULD REQUIRE FOREIGN INVESTORS ATTEMPTING TO COMPLY  
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WITH THE DIVESTITURE PROVISIONS OF DECISION 24 OF THE

ANDEAN PACT TO OBTAIN APPROVAL OF THE SUPERINTENDENCY OF FOREIGN INVESTMENT (SIEX) FOR SALE OF THEIR INTERESTS TO VENEZUELAN NATIONALS. B. AS WE UNDERSTAND IT, THERE HAS BEEN NO REQUIREMENT TO DATE THAT GOV APPROVAL OF SUCH SALES BE OBTAINED, OR EVEN THAT THESE TRANSACTIONS BE REPORTED, AND WE WOULD EXPECT THAT ANY NEW LEGISLATION WOULD NOT BE APPLIED RETROACTIVELY TO INVALIDATE PRIOR SALES BY FOREIGN INVESTORS MADE IN GOOD FAITH AND IN ACCORDANCE WITH EXISTING REGULATIONS CONCERNING DIVESTITURE.

C. WITH RESPECT TO ANY FINAL LEGISLATION REGULATING FUTURE TRANSFERS OF OWNERSHIP, WE ARE PARTICULARLY CONCERNED THAT IT BE APPLIED IN A MANNER LIKELY TO ALLOW FOREIGN INVESTORS REQUIRED TO DIVEST TO OBTAIN FAIR VALUE FOR THEIR HOLDINGS.

2. DEPARTMENT APPRECIATES EMBASSY'S CONSCIENTIOUS REPORTING, AND WILL FOLLOW DEVELOPMENTS CLOSELY. SISCO

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, INVESTMENT CONTROLS, LEGISLATIVE BILLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 AUG 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE196159  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** TRBRODERICK  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750285-1055  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750842/aaaabkwb.tel  
**Line Count:** 79  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 CARACAS 7850, 75 CARACAS 7829  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12 SEP 2003 by CunninFX>; APPROVED <29 OCT 2003 by GolinoFR>  
**Review Markings:**

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US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FOREIGN INVESTMENT AND PROPOSED DIVESTITURE LEGISLATION  
**TAGS:** EINV, EFIN, VE  
**To:** CARACAS  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006